



THE  
RENAISSANCE  
COLLABORATIVE, INC.



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Executive Director

August 24, 2010

The Federal Reserve

To Whom It May Concern:

On behalf of The Renaissance Collaborative, Inc. of Chicago, I am writing to you in support of the proposed changes in the Community Reinvestment Act (CRA) that is intended to encourage depository institutions to help meet the credit needs in the communities in which they operate, including low-and moderate income neighborhoods, consistent with safe and sound banking operations.

The Renaissance Collaborative, Inc. was founded in 1992 by four ecumenical churches in the Bronzeville community of Chicago, all having over one hundred years of service in this community. Our mission is to promote self-sufficiency by providing comprehensive supportive and affordable housing and employment services.

The Renaissance Collaborative, Inc. works mostly with those who are disenfranchised in our society, namely homeless and low income. While we have been successful in teaching this targeted population financial literacy and tools on how to handle financial affairs, many cannot access the services of a local bank. This has been the norm since we opened in 2000. They are what have been construed as high risk clientele. However, some of these same banking institutions find ways to provide credit cards that must be back by their own funds on deposit and then are able to charge for these services. Also, there continues to be a lack of access to capital in African American neighborhoods in the areas of economic development. This was one the reason for the development of the CRA in the first place and is still not being addressed.

So regulators are correct to review and update current regulation, but most African American communities have not been able to participate in the wave of economic development that the country just experienced. If we say that small businesses are in fact responsible for employing most Americans. When the unemployment rate is higher in these communities, the role of government and others as regulators is to make sure what is being measured is transparent and that a level playing field is provided. One only has to drive the streets of Chicago that travels the farthest south and the farthest north to be able to determine what community investments

are being made and in which communities. Yet again, these same institutions provides banking services, ,i.e. checking accounts, personal loans, credit cards and other services to the same persons without providing a level playing in which small business owners can compete and grow. Regulators must begin to look at how affiliate activities are being handled and that there are transparencies in where banking institutions are securing these fees as basics of where their service demographics should be.

The Renaissance Collaborative, Inc. hosted its annual breakfast this year in February and heard from many in the community who were interested in investing and developing in the community. Time after time they sited their inability to do so because of a lack of credit at local lending institutions in the area. Yet these same institutions make personal loans, provide credit cards, checking account and other banking services to these individuals on a personal level.

It is our hope that with the revisions being considered for the community Reinvestment Act, special attention will be paid on small business and consumer lending evaluation and data. We appreciate the opportunity to comment on the Agencies proposal. I can be reached at (773) 924-9270 ext. 24 or [pabrams@trcwabash.org](mailto:pabrams@trcwabash.org).

Sincerely,

Patricia Abrams